

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of

PURCHASED GAS ADJUSTMENT)	
FILING OF LOUISVILLE GAS)	CASE NO. 8284-F
AND ELECTRIC COMPANY)	

O R D E R

On January 4, 1982, the Commission issued its Order in Case No. 8284, approving certain adjustments in the rates of Louisville Gas and Electric Company ("LG&E") and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased.

On November 23, 1982, LG&E filed its notice with the Commission stating that it had received a decrease in the wholesale cost of gas purchased from its supplier, Texas Gas Transmission Corporation ("Texas Gas").

After reviewing the notice filed in this case and being advised, the Commission is of the opinion and finds that:

(1) The Texas Gas rate reduction reflects the elimination of certain transportation costs associated with Canadian gas purchases. LG&E, on November 17, 1982, had filed a motion urging the Federal Energy Regulatory Commission ("FERC") to grant partial summary disposition of those same transportation costs and to grant immediate relief by requiring Texas Gas to file revised rates effective November 1, 1982.

(2) On November 18, 1982, Texas Gas filed with the FERC a downward modification of its November 1, 1982, rate to give effect to the elimination of transportation costs associated with Canadian gas purchases.

(3) The annual amount of this decrease is \$3,725,493 of which \$98,270 is applicable to gas used for the Electric Department fuel and \$3,627,223 is applicable to LG&E's gas customers. The result is a downward adjustment in the purchased gas adjustment of 6.68 cents per Mcf, or .668 cents per 100 cubic feet and is proper to give effect to the Texas Gas decrease.

(4) LG&E was unable to make a timely filing to give effect to this rate reduction, therefore, LG&E will have a refund obligation in connection with purchases made for the month of November 1982. The refundable amount to LG&E's gas customers is estimated to be \$304,635. LG&E should increase the refundable amount in Case No. 7799-D by this amount and adjust the refund upward or downward when actual figures are available.

(5) The purchased gas adjustment of LG&E should be adjusted to the following, effective December 1, 1982:

PGA corresponding to Base Supplier Rate	11.614¢
Refund Factor effective September 1, 1981, and continuing for 12 months or until company has discharged its refund obligation from Case No. 7799-D	(.670)

Refund Factor effective December 1, 1981,
and continuing for 12 months or until
company has discharged its refund
obligation from Case No. 7799-E

(.074)

Total Adjustment Per 100 Cubic Feet

10.870¢

IT IS THEREFORE ORDERED that the purchased gas adjustment sought by LG&E as set out in Finding (4) above be and it hereby is approved effective with gas supplied on and after December 1, 1982.

IT IS FURTHER ORDERED that LG&E shall increase the refundable amount allowed in Case No. 7799-D in the amount of \$304,635 to reflect the overcollections due to the untimely filing of this case. The refund shall be adjusted upward or downward when actual figures are available.

IT IS FURTHER ORDERED that within 30 days after the date of this Order, LG&E shall file with this Commission its revised tariff sheets setting out the rates approved herein.

IT IS FURTHER ORDERED that for the purpose of the future application of the purchased gas adjustment clause of LG&E the base rate for purchased gas shall be:

	<u>Monthly Demand Charge</u>	<u>Commodity Charge</u>
Texas Gas Transmission Corporation		
Rate G-4	\$6.72	367.20¢

Done at Frankfort, Kentucky, this 7th day of December, 1982.

PUBLIC SERVICE COMMISSION

Sam Sherr
Chairman

Katharine Randall
Vice Chairman

Sam Carver
Commissioner

ATTEST

Secretary